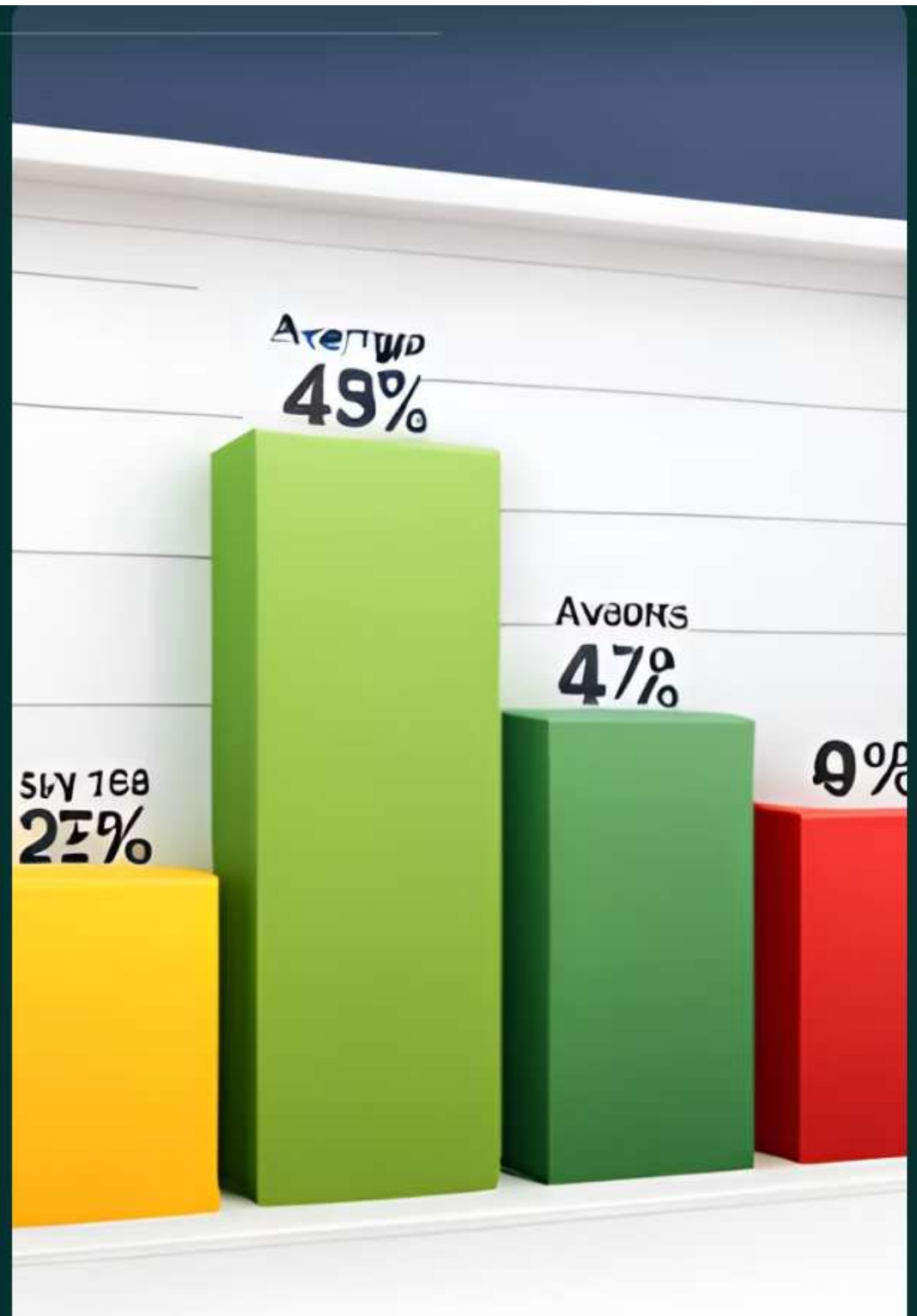


Ranking Businesses by Loan Amount: A Preliminary Analysis

Using SQL Functions to Analyze Loan Eligibility: The Provided Query for Average Approval Rate by NAICS Code

The provided SQL query is calculating the average approval rate for different NAICS (North American Industry Classification System) codes in the `loan_info` table. It filters out NAICS code '0' and groups the results by NAICS code. The query then orders the results in descending order of average approval rate and limits the output to the top 5 NAICS codes.

Based on the results you provided, it seems that all the top 5 NAICS codes have an average approval rate of 1, indicating that loans are approved for all the businesses belonging to these NAICS codes. This information alone does not provide a clear indication of whom to give loans to or not, as all the businesses in these NAICS codes seem to have a 100% approval rate. To make a more informed decision on whom to give loans to and whom to not, you might consider additional factors such as the total number of loan applications received for each NAICS code, the financial stability of the businesses, the purpose of the loan, credit history.



Ranking Businesses by Loan Amount

Here Are Some Observations Based on the Analysis

Need for Additional Analysis

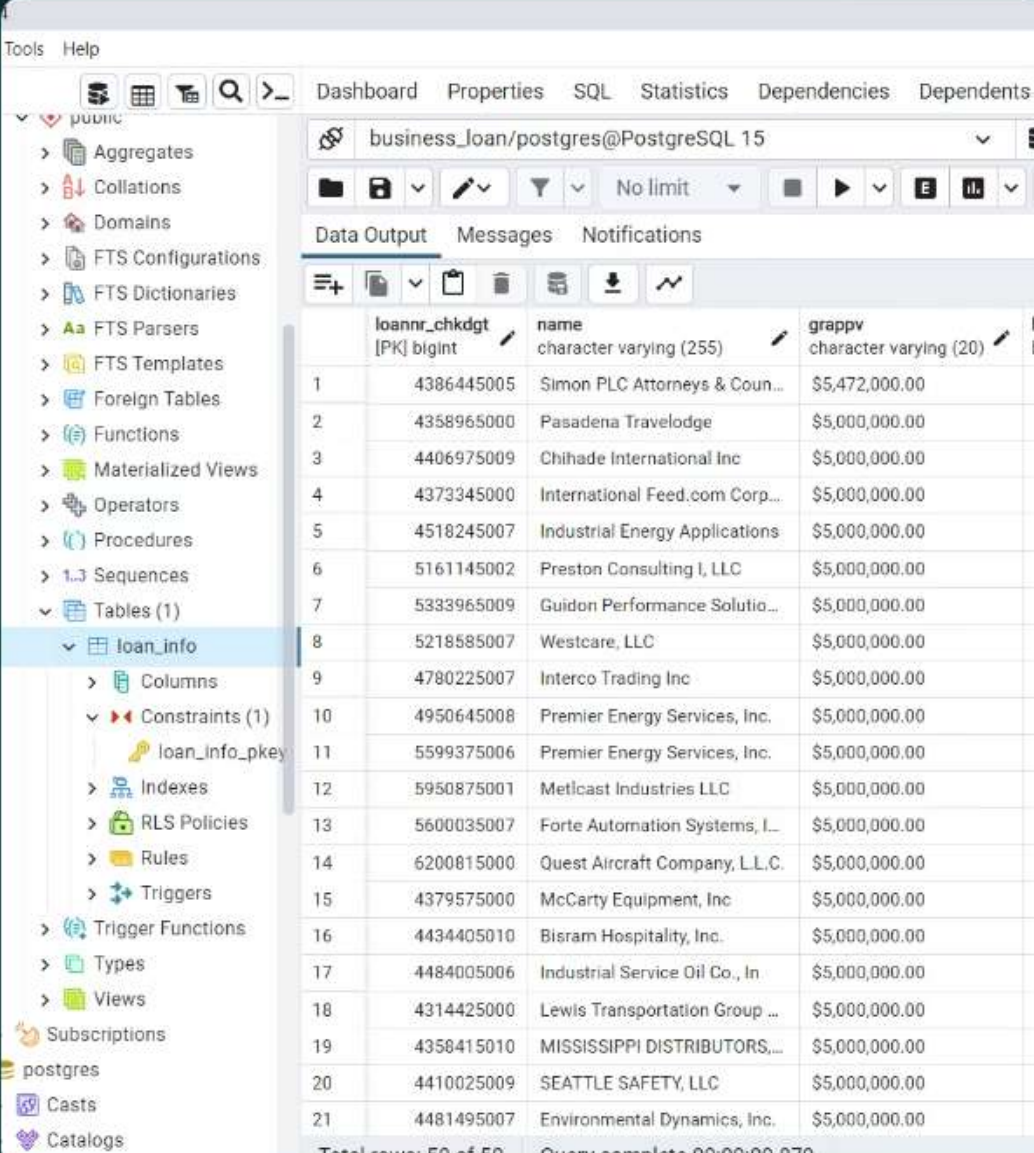
Ranking Businesses by Loan Amount

Based on the provided analysis, the businesses are ranked based on their loan amount in descending order. The column `loan_rank` represents the rank assigned to each business based on the loan amount.



Here Are Some Observations Based on the Analysis

Simon PLC Attorneys & Counselo has the highest loan amount of \$5,472,000.00 and is ranked at position 1. Other businesses, including Ocean Plaza Beach Resort, SEATTLE SAFETY, LLC, Lewis Transportation Group LLC, and The Sports Basement, Inc., are ranked at position 2 with a loan amount of \$5,000,000.00. This indicates that they have all received loans of the same value.



Tools Help

Dashboard Properties SQL Statistics Dependencies Dependents

business_loan/postgres@PostgreSQL 15

No limit

Data Output Messages Notifications

	loannr_chkdg [PK] bigint	name character varying (255)	grappv character varying (20)
1	4386445005	Simon PLC Attorneys & Coun...	\$5,472,000.00
2	4358965000	Pasadena Travelodge	\$5,000,000.00
3	4406975009	Chihade International Inc	\$5,000,000.00
4	4373345000	International Feed.com Corp...	\$5,000,000.00
5	4518245007	Industrial Energy Applications	\$5,000,000.00
6	5161145002	Preston Consulting I, LLC	\$5,000,000.00
7	5333965009	Guidon Performance Solutio...	\$5,000,000.00
8	5218585007	Westcare, LLC	\$5,000,000.00
9	4780225007	Interco Trading Inc	\$5,000,000.00
10	4950645008	Premier Energy Services, Inc.	\$5,000,000.00
11	5599375006	Premier Energy Services, Inc.	\$5,000,000.00
12	5950875001	Meticast Industries LLC	\$5,000,000.00
13	5600035007	Forte Automation Systems, L...	\$5,000,000.00
14	6200815000	Quest Aircraft Company, L.L.C.	\$5,000,000.00
15	4379575000	McCarty Equipment, Inc	\$5,000,000.00
16	4434405010	Bisram Hospitality, Inc.	\$5,000,000.00
17	4484005006	Industrial Service Oil Co., In	\$5,000,000.00
18	4314425000	Lewis Transportation Group ...	\$5,000,000.00
19	4358415010	MISSISSIPPI DISTRIBUTORS,...	\$5,000,000.00
20	4410025009	SEATTLE SAFETY, LLC	\$5,000,000.00
21	4481495007	Environmental Dynamics, Inc.	\$5,000,000.00

Total rows: 50 of 50 Query complete 00:00:00.879

Need for Additional Analysis

This ranking is based solely on the loan amount without taking other factors, such as financial history, credit score, business plan, revenue, and profitability into consideration. To make a more informed decision, a comprehensive evaluation of all these factors is necessary to assess the risk and determine the suitability of providing a loan.



Ranking Businesses Based on Job Creation: What to Consider

Ranking Methodology

Here Are Some Observations Based on the Analysis

Considerations for Loan Decisions

Ranking Methodology

Based on the provided analysis, the businesses are ranked based on the number of jobs created in descending order. The column `job_rank` represents the rank assigned to each business based on the number of jobs created.

Here Are Some Observations Based on the Analysis

The top businesses in the ranking, such as "LACKEY & CLARK OIL COMPANY" and "ITO INDUSTRIES, INC.", have all created 8800 jobs and are placed at position 1. This indicates that all businesses in the result set have the same job opportunities. The ranking is based solely on the number of jobs created, without considering other factors.

Considerations for Loan Decisions

Loan decisions should consider the business's financial health, industry trends, market demand, profitability, and job creation potential. Assessing the ability to sustain created jobs is also important to ensure the loan is given to businesses with strong foundations and growth potential.

Ranking Methodology

Observations

Businesses with the lowest loan amounts have a percentile rank of 0. As loan amounts increase, so does the percentile rank. This relative measure of loan amount compared to other businesses in the dataset provides insight into how much each business is borrowing.

Summary of Findings

Analysis of loan amounts by NAICS code reveals that high loan activity is seen in industries 0, 722110, 722211, 811111, and 621210. A higher likelihood of loans being paid in full is seen in 541940, 236118, and 238220, while higher charged-off/default rates are seen in 453998, 484110, and 484121.

Mixed Results

NAICS codes 235310, 238990, 453220, and 236115 have relatively favorable loan repayment and default rates, while codes 722213, 448310, and 812310 have higher default rates and moderate to low repayment rates, indicating a higher risk associated with loans in those industries.

Recommendations

When making lending decisions, it's important to consider factors beyond the NAICS code and loan status percentages. Assessing the financial stability of the business, creditworthiness, repayment history, business plans, industry trends, and doing a risk analysis and evaluating collateral (if applicable) can help to make informed decisions. Further validation and risk assessment is required before lending.

Loan Approval Rates: The Need for a Comprehensive Risk Assessment

Loan Approval Rates

Analysis of loan approval rates by urban/rural status shows a 100% approval rate for both urban and rural areas, with all loans classified as "P I F" and no loans classified as "CHGOFF" or missing status. Undefined/unknown areas also have a 100% approval rate of "P I F."

Loan Approval Insights: Understanding the Data and Making Recommendations